

§ 1.6011-3

26 CFR Ch. I (4-1-14 Edition)

DISC. In the case of a deficiency distribution to meet qualification requirements, see § 1.992-3(a)(4) for requirements that distribution be designated in the form of a communication sent to a shareholder and service center at the time of distribution.

(b) *Returns*—(1) *Requirement of return*. Every DISC (as defined in section 992(a)(1)) shall make a return of income. A former DISC (as defined in section 992(a)(3)) shall also make a return of income in addition to any other return required. The return required of a DISC or former DISC under this section shall be made on Form 1120-DISC. The provisions of § 1.6011-1 shall apply with respect to a DISC and former DISC. A former DISC should indicate clearly on Form 1120-DISC that it is making a return of income as a former DISC (for example, by labeling at the top of the Form 1120-DISC “Former DISC”). In the case of a former DISC, those items on the form which pertain to the computation of taxable income shall not be completed, but Schedules J, K, L, and M must be completed. Except as otherwise specifically provided in the Code or regulations, the return of a DISC or former DISC is considered to be an income tax return.

(2) *Existence of DISC*. A corporation which is a DISC and which is in existence during any portion of a taxable year is required to make a return for that fractional part of its taxable year during which it was in existence.

[T.D. 7533, 43 FR 6603, Feb. 15, 1978]

§ 1.6011-3 Requirement of statement from payees of certain gambling winnings.

(a) *General rule*. Except as provided in paragraph (c) of this section, any person receiving a payment with respect to a wager in a sweepstakes, wagering pool, lottery, or other wagering transaction (including a parimutuel pool with respect to horse races, dog races, or jai alai) shall make a statement to the payer of such winnings upon the payer's demand. Such statements shall accompany the payer's return made with respect to the payment as required pursuant to section 3402(q) or 6041, as the case may be.

(b) *Contents of statement*. The statement referred to in paragraph (a) shall

contain information (in addition to that required under section 6041(c)) as to the amount, if any, of winnings from identical wagers to which the recipient is entitled. If any person other than the recipient is entitled to all or a portion of the payment, the statement shall also include information as to the amount, if any, of winnings from identical wagers to which each such person is entitled. The statement shall be provided on Form W-2G or, if persons other than the recipient are entitled to all or a portion of such payment, on Form 5754.

(c) *Exception*. The requirement of paragraph (a) of this section does not apply with respect to any payment of winnings—

(1) From a slot machine play, or a bingo or keno game,

(2) Which is subject to withholding under section 3402(q) without regard to the existence of winnings from identical wagers, or

(3) For which no return of information under section 6041 is required of the payer.

(d) *Meaning of terms*. For purposes of this section, the terms “sweepstakes”, “wagering pool”, “lottery”, “other wagering transaction” and “identical wagers” shall have the same meanings as ascribed to them under § 31.3402(q)-1.

[T.D. 7919, 48 FR 46297, Oct. 12, 1983]

§ 1.6011-4 Requirement of statement disclosing participation in certain transactions by taxpayers.

(a) *In general*. Every taxpayer that has participated, as described in paragraph (c)(3) of this section, in a reportable transaction within the meaning of paragraph (b) of this section and who is required to file a tax return must file within the time prescribed in paragraph (e) of this section a disclosure statement in the form prescribed by paragraph (d) of this section. The fact that a transaction is a reportable transaction shall not affect the legal determination of whether the taxpayer's treatment of the transaction is proper.

(b) *Reportable transactions*—(1) *In general*. A reportable transaction is a transaction described in any of the paragraphs (b)(2) through (7) of this section. The term transaction includes